

Report of the Portfolio Holder for Economic Development and Asset Management**2022/23 PROGRAMME AND GOVERNANCE FOR BROXTOWE BOROUGH'S SHARED PROSPERITY FUND, (SPF) ALLOCATION****1. Purpose of Report**

To consider and approve by way of an outline investment plan, activity proposed in year one of the Council's £2.56 million Shared Prosperity Fund Programme. It requests approval in principle to the plan and interim governance arrangements to oversee the spending of the resources in the current year to enable speed of decision making and maximum spend in the current year. The governance arrangements are proposed to be revisited early in the new Council year to ensure they remain appropriate and transparent.

2. Recommendation

Cabinet is asked to:

- 1. RESOLVE that the proposed Broxtowe Borough Council Shared Prosperity Fund Investment plan, attached at in the appendix, be approved as a working document.**
- 2. RESOLVE that the determination of the final grant awards for businesses, partner organisations and community and voluntary organisations who have supplied expressions of interest or made an application in respect of any of the projects listed for spend in 2022/23 be delegated for decision to the Deputy Chief Executive and Section 151 Officer, in consultation with a UKSPF Members Advisory Panel (if available) comprising:**
 - **Leader of the Council**
 - **Deputy Leader of the Council**
 - **Leader of the Opposition**
 - **Cabinet Portfolio Holder Economic Development and Asset Management**
 - **Cabinet Portfolio Holder for Resources and Personnel Policy**

(or their substitutes) with an Officer to minute actions, a senior Economic and Regeneration Officer (if available), and the S151 Officer in attendance.
- 3. NOTE the exercise of the Chief Executive's Emergency Powers to use the government's allocated capacity funding to commit £20,000 to jointly employ capacity with Rushcliffe Borough Council to deliver the programme in both areas.**

3. Details

The Council will receive its 2022/23 SPF allocation shortly, having had Secretary of State approval and signed the Memorandum of Understanding (MOU) with DHLUC on 13 December 2022. The MOU means the Council is committed to delivering the Fund's priorities, outputs and outcomes as set out in the Broxtowe Shared Prosperity Fund Investment Plan and accompanying expenditure and deliverables spreadsheets. A summary of these commitments are included in the Appendix.

In governing the programme, the Council will need to achieve its outputs and outcomes and provide assurance that the Council has taken steps to:

- mitigate the risk of fraud;
- ensure compliance with fund branding guidelines;
- ensure funding has been used in accordance with UK subsidy control legislation;
- ensure that any procurement undertaken by a Contracting Authority using UKSPF funds has complied with public procurement rules;
- ensure compliance with its statutory obligations under the Public Sector Equality Duty; and
- ensure that any personal data obtained in connection with UKSPF activities is handled in compliance with the Data Protection Act 2018.

The Broxtowe allocation is as follows:

Allocation 2022/2023 (£)			Indicative allocation 2023/2024 (£)	Indicative allocation 2024/2025 (£)
Capital	Revenue	Capacity	627,300	1,643,527
34,000	279,650	20,000		

An interesting departure from the expected settlement is that revenue funding can be converted to capital. This maximises the flexibilities and freedoms available to Broxtowe but comes with the expectation that the Council will proceed with awards as soon as they can be made. There are rules which have determined how much can be spent within each of the three themes:

- Communities and Place;
- Business Support; and
- People and Skills

There is some flexibility and the Council proposes a broad division for the open round of £110,000 (see attached appendix).

The need to spend over £300k in effectively one quarter presents management challenges. Certainly with the cost of living crisis and the absence of new European funding, the Council needs to make best endeavours to get the funding into the organisations who will do the best as soon as possible.

In order to achieve this, measures similar to the emergency COVID-19 grants panel would be appropriate. Steps have been taken to practically achieve the desired outcome, for example the “Good Ideas Fund” has already opened to receive applications with a closing date of 26 January 2023 being set. In addition to the on line form a process has been established so that applicants can ring the Council’s call handling service to “phone in” their application. This should encourage a diverse range of projects to come forwards.

Applications will be rapidly assessed, and those which are able to support the Investment Plan targets, meet due diligence and conform to the objectives of the fund will be identified. If agreed by Cabinet, the funding will be determined as proposed in recommendation 2 with the final sign-off by the Deputy Chief Executive and Section 151 Officer. Written records will be kept of the outcome of meetings and delegated decisions made by the Deputy Chief Executive will be reported back to Cabinet.

The Council has the opportunity to spend up to 4% of its allocation on Programme administration and has been awarded £20,000 of capacity funding. There will be a support needed to funded projects and to monitor and report outputs and outcomes. The Economic Development and Regeneration Team needs additional capacity but it is unclear whether this will need to be a full time role. The Chief Executive has therefore used her Executive Emergency Powers to support a proposal to jointly employ capacity with Rushcliffe Borough Council to fund a Project Officer working 50% of the time in both authorities.

There are some excellent projects which have formed the spine of the Council’s Investment Plan submission. With an eye to ensuring delivery of the programme, following approval of the investment plan, it is hoped under the guidance of the advisory panel, internal and external projects can begin to proceed to delivery immediately.

The governance for Shared Prosperity Funding will be reviewed before the end of the financial year. What is being put in place now may need to be considered against what is planned to be delivered in years two and three and by whom it is being delivered.

It should be noted that part of the investment plan includes proposals to join with partners in order to maintain the best functioning EU funded business support and skills programmes that are currently in place. The Council is currently working with all Nottinghamshire authorities to jointly procure these programmes. Procurement exercises such as these will take several months and it is therefore important that the Council declares a strong intent to engage in this way.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The Council was successful in its bid for UK Shared Prosperity Funding of around £2.56m across three years. The Year 1 funding due to be received in 2022/23 is £333,650, split between capital, revenue and capacity funding. The schemes will be budget profiled and included in the General Fund revenue budget and the Capital Programme accordingly. There are no financial implications at this stage, with the additional costs quoted expected to be contained within the overall UKSPF programme. Any significant budget implications for the Council going forward would require approval by Cabinet.

The need for a robust governance and risk framework in these matters is vital to protect the Council and its officers and Members. Approval of this framework should enable the scheme to be delivered quickly and efficiently, but still to have the necessary levels of check and challenge in place, similar to the arrangement applied to administer the emergency COVID-19 grants. An early review of these arrangements, as proposed after March 2023, is to be welcomed.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

As the Council already has clear purchasing arrangements in place this will provide assurance about the compliance of awards made to demonstrate value for money, procurement to deliver the range of projects if funding is secured, which will be considered per project in accordance with the grant, the Council's Contract Procedure Rules and the Public Contract Regulations 2015. Under the new Subsidy regime, public authorities will be required to self-assess whether the financial assistance they grant is consistent with key principles and will be required to publish information about subsidies. Further governance, legal and procurement advice will be provided as the investment plan develops to ensure robust governance, lawful decision making, management and monitoring requirements in line with the Council's Constitution and relevant statutory requirements.

In relation to the Chief Executive's use of Emergency Powers: Chapter 2 Part 1, point 24 of the Council Procedure Rules in the Council's Constitution states:

In consultation with the Leader of the Council and where possible the Leader of the opposition, the Chief Executive has the power to authorise the taking or carrying out of action, notwithstanding anything in the Council's Procedure Rules, Financial Regulations all other delegations, where they consider that circumstances exist that make it expedient or necessary for action to be taken prior to the time when such action could be approved through the normal Council procedures. A report on such action, and the circumstances justifying the exercise of the delegated powers, shall be made to the next meeting of the Council as appropriate.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable

7. Union Comments

The Union comments were as follows:

Not applicable

8. Data Protection Compliance Implications

The MOU and Investment Plan commits the Council to performing to best practise criteria under the Data Protection Act (2018) and related legislation.

9. Equality Impact Assessment

The MOU and Investment Plan commits the Council to performing to best practise criteria under Data Protection Act (2018) and related legislation. The SPF Investment Plan contains a full statement of EIA compliance.

10. Background Papers

Broxtowe Borough Council Shared Prosperity Fund Investment Plan 2022/23 – 2024/25